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OLC 72-1184
11 December 1972

MEMORANDUM FOR THE RECORD

SUBJECT: Briefing of the Senate Committee on Interior and
Insular Affairs - 11 December 1972

25X1 1. On 11 December 1972 Mr. Maury accompanied by Messrs. [redacted] Chief, Middle East/Africa, OCI; [redacted] Petroleum Research Specialist, OER; [redacted] Specialist - Soviet Energy Resources, OER; and the undersigned met in Executive Session with Senator Henry M. Jackson (D., Wash.) and members of the Committees on Interior and Insular Affairs and Public Works. The meeting lasted from 1100 to 1200 hours in the Interior and Insular Affairs Committee Library, Room S3112 New Senate Office Building. Discussion was at the Secret level. No transcript was taken. 25X1 25X1

2. Present from the Committees were:

Interior and Insular Affairs

Henry M. Jackson (D., Wash.), Chairman
Frank E. Moss (D., Utah)
Lee Metcalf (D., Mont.)
Gordon Allott (R., Colo.)
Paul J. Fannin (R., Ariz.)
Clifford P. Hansen (R., Wyo.)
Henry Bellmon, (R., Okla.)
James L. Buckley (R., N.Y.)

MORI/CDF

Public Works

Jennings Randolph, (D., W. Va.), Chairman

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3. Present from the Interior and Insular Affairs Committee staff were:

William J. Van Ness, Chief Counsel
Jerry T. Verkler, Staff Director
Gren Garside
R. D. Grundy
David P. Stang, Minority Staff

4. Chairman Jackson opened with the announcement that due to the interest of the Committee on Public Works in the matters under discussion that Chairman Jennings Randolph had been invited to sit in with the Committee on Interior and Insular Affairs. He stated that the meeting would be informal and was really in the nature of a conference rather than a hearing. He noted that the material presented by the Central Intelligence Agency representatives would be classified and that the Committee rules relating to note-taking by the members and staff for classified material would apply. He asked the members to refrain from questions until Mr. Maury and the other Agency representatives could complete their preliminary remarks.

5. After brief introductory remarks Mr. Maury was followed by [redacted] who gave a very generalized overview of the political and economic conditions in the oil producing countries of the Middle East, with emphasis on Saudi Arabia and Iran, and foreign influences that impact upon these conditions. Each of the Senators in turn, with the exception of Senators Metcalf and Allott, raised detailed questions following the general overview presented by [redacted]. Senator Jackson was particularly interested in the Soviet situation in Egypt, Iraq, and Syria; the Kurdish situation; possible internal disruption in Iran in the event of the Shah's death; the threat from outside and from within Saudi Arabia; the danger of limited production due to the cash reserves of the oil producing countries; and the "coup potential" in these countries.

6. Senator Moss asked about the monarchy situation in Saudi Arabia and the internal situation in Kuwait. Senator Fannin asked a series of questions about the attitude of the various oil producers toward the Soviet Union, i. e. do they trust the Soviets, etc. Senator Randolph was particularly interested in the ability of the Soviets in their dealings with the Middle East oil producers to divert African and Middle East oil to themselves and to East Europe and thus reduce the flow to west Europe and others.

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7. Senator Bellmon asked the direct question whether we had advance information on the Qadhafi Coup in Lybia. [] responded that we did not and was joined by Senator Jackson in his explanation that, in the absence of hard information, the exact timing of such coups is nearly impossible to predict even though we may be able to read the overall situation as one in which some kind of sudden change is probable at some time.

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25X1 8. Senator Bellmon also asked if the Middle East situation is stable enough to be a dependable source to meet American needs in the next ten years. [] explained that the area is in the process of fundamental change in power relationships, and there is inevitably going to be a good deal of tension. Senator Bellmon also questioned the use of the term blackmail to describe the "conscience payments" being made by the various oil producers to Egypt to make up for loss of revenues from the Suez Canal. At this point Senator Jackson asked what payment is being made by Saudi Arabia and others to the Palestinian Liberation organizations. [] responded that he would supply this information for the Committee. Senator Bellmon's final question related to possible change in Saudi Arabia relations with the Soviet Union in the event of change within the monarchy or ruling faction. Senator Buckley asked what actions have been taken by the Japanese and west European governments to influence the course of events in the Middle East. Senator Bellmon asked whether the British expect to get most of their oil needs from the North Sea within the next few years.

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9. Senator Hansen asked whether there had been any recent developments regarding OPIC countries that would evidence a change in attitude toward the western countries, and whether there is any danger that these governments might cut back on production.

10. Senator Jackson closed the meeting by asking the rhetorical question "How long Premier Sadat of Egypt might be expected to last since his government appears to be having very deep trouble?"

11. The meeting was most cordial with only Senator Jennings Randolph sounding a note of skepticism on the Agency's position with regard to the USSR's ability to divert oil to eastern Europe and away from western governments. Senator Randolph's skepticism was not shared by the Chairman or any other members of the Committee.

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12. Information requested by Senator Jackson concerning support for the Palestinian Liberation organizations and various oil producing countries will be supplied to the Committee during the day tomorrow.



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Assistant Legislative Counsel

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